

General Information Letter: IITA Section 917 prohibits disclosure of taxpayer information except in specified circumstances.

March 3, 2000

Dear:

This is in response to your letter dated January 18, 2000 in which you state the following:

Enclosed please find a copy of a letter we are sending to the Internal Revenue Service concerning xxxxxxxxxxxxxxxxxxxx and the xxxxxxxxxxxxxxxxxxxx xxxxx. We would like to know whether a similar problem has occurred with monies due the State of Illinois.

The letter that is addressed to the Internal Revenue Service and to which you refer to contains the following language:

In our investigation of xxxxxxxxxxxxxxxxxxxx, we learned that the Internal Revenue Services made allegations that xxxxxxxxxxxx did not pay FICA for his employees and some move was made to collect the 100% penalty due the United States of America. In addition, I would like to know what, if anything, has happened in connection with this. We are also concerned about allegations that have been made concerning xxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxx handling of escrow accounts and arrangements concerning reporting of income from the escrow accounts.

According to the Department of Revenue ("Department") regulations, the Department may issue only two types of letter rulings: Private Letter Rulings ("PLR") and General Information Letters ("GIL"). For your convenience, we enclose a copy of 2 Ill. Adm. Code §1200 explaining these two types of rulings issued by the Department.

Due to the nature of your inquiry and the information presented in your letter, we are required to respond with a GIL. GILs are designed to provide background information on specific topics. GILs, however, are not binding on the Department.

Enclosed please find a copy of Section 917 of the Illinois Income Tax Act, 35 ILCS 5/917. As you can see, Illinois law imposes strict sanctions upon the Department and its employees for the unauthorized release of confidential taxpayer information. It prevents the Department from divulging any information contained in returns filed by a taxpayer, as well as from disclosing whether the taxpayer filed returns at all, unless one presents either (1) an order signed by the Director of the Illinois Department Of Revenue, (2) a proper court order, or (3) a valid release executed by the taxpayer.

If you feel that the taxpayer is engaging in unlawful conduct regarding his Illinois income tax obligations, you may wish to contact the Department's Investigations Bureau at the James R. Thompson Center, 100 W. Randolph, Suite 7-750, Chicago, IL 60601-3274.

As stated above, this is a general information letter which does not constitute a statement of policy that either applies, interprets or prescribes tax law. It is not binding on the Department. If you are not under audit and you wish to obtain

IT 00-0021-GIL

March 3, 2000

Page 2

a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Sincerely,

Heidi Scott

Staff Attorney -- Income Tax